



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt a resolution of the Lodi City Council approving contract with Pyro Spectaculars, Inc. for 2008 Fourth of July

MEETING DATE: February 6, 2008

PREPARED BY: Parks and Recreation Director

RECOMMENDED ACTION: Adopt resolution of the Lodi City Council approving contract with Pyro Spectaculars, Inc. for 2008 Fourth of July.

BACKGROUND INFORMATION: For several years the local Rotary Clubs provided the citizens of Lodi a very eventful Fourth of July celebration at Lodi Lake Park. The contracted vendor providing the fireworks display was historically Boom Boom Productions. For several reasons the Rotary Clubs chose not to take the lead for the 2007 Fourth of July celebration. With approximately three months to plan the event, the Park and Recreation Department assembled City staff and various volunteer groups to organize the 2007 Fourth of July event. Due to new insurance regulations, a new Fireworks contractor was hired to provide the evening show. Staff had a very positive experience with Pyro Spectaculars, Inc. This vendor was responsive to our planning and load in and load out schedules. The fireworks show was performed with safety in mind and was well received by the viewers.

The 2008 Fourth at the Lake is once again being planned as a family event. Participants can start their day by enjoying the Kiwanis annual pancake breakfast. Admission to his years Fourth at the Lake will again be free. Public swimming and boat rentals will be available at our standard rates. Hot Diggity Dog, the parks concessionaire, will provide food vending services on the south side of the park.

The World of Wonders Science Museum (WOW) is again reserving a major portion of the Lake's north side. WOW will be providing a "Family Friendly" event that would include a children's play area, sack races, pie eating contests, etc. WOW participants can expect to pay a small fee. Food vendors will be on the north side as part of the WOW event. The WOW will pay approximately \$1,000 for the park reservation.

FISCAL IMPACT: \$22,000 (cost of fireworks display) and those related to temporary fencing, port-o-pots, and waste bins charged to City's Special Events Account 100245.8099. The cost of personnel and equipment, in addition to fireworks costs, for 2007 was approximately \$23,589. The total anticipated cost for the 2008 event, including fireworks, is approximately \$58,190. These costs include Fire, Police, Public Works, and Parks and Recreation. In addition to the approximate \$700 paid by WOW in 2007, the Parks and Recreation Department generated approximately \$2,000 from public swim and boat rentals on the Fourth.

Steve Dutra
Interim Parks and Recreation Director

SD:tl
cc: City Attorney

APPROVED: _____
Blair King, City Manager

PYRO SPECTACULARS NORTH, INC.

Display Agreement

1) THIS AGREEMENT, entered into this _____ day of _____, 200____, by and between PYRO SPECTACULARS NORTH, INC., a California corporation hereinafter referred to as "PYRO" and _____

City of Lodi Parks & Recreation Department hereinafter referred to as "PURCHASER."

2) PYRO agrees to furnish PURCHASER, in accordance with the terms and conditions hereinafter set forth, 1 fireworks display as per Program A, submitted, accepted and made part hereof, including the services of a licensed pyrotechnic operator to take charge of and, along with sufficient helpers, safely discharge the display.

The said display is scheduled to be performed on July 4, 2008 at _____
Lodi Lake Levee; Lodi, CA

3) PURCHASER, at its own expense, agrees to provide to PYRO:

A) A suitable DISPLAY SITE in which to stage the fireworks display, including a firing and fallout zone reasonably acceptable to PYRO in which the fireworks and firework debris may be exhibited, rise and fall safely. B) Adequate policing, guard protection, roping, fencing and/or other crowd control measures to prevent the access of the public or its property or any other people or property not authorized by PYRO into the DISPLAY SITE. C) The services and cost of standby firemen and/or any applicable permit fees as required by state and local statutes, ordinances or regulations. D) Access by PYRO, at all times, to the DISPLAY SITE to set up the display. If PURCHASER fails to fully comply with requirements A, B, C and/or D set forth above, PYRO shall have no obligation to perform and PURCHASER agrees to pay to PYRO the entire contract price plus any additional expenses incurred because of said failure. If, in its sole discretion, PURCHASER designates an area for members of the public to view the Display ("Spectator Area") and/or an area for vehicular parking ("Parking Area"), the PURCHASER shall: E) Ensure that the Spectator Area does not infringe on the Display Area; F) Have sole responsibility for ensuring that the terrain of the Spectator Area and any structures thereon, including, but not limited to grandstands and bleachers are safe for use by spectators; G) have sole responsibility for ensuring that the Parking Area is safe for use; H) Have sole responsibility to police, monitor and appropriately control spectator access to the Spectator Area and the Parking Area and police, monitor and appropriately control the behavior of persons in these areas. It is expressly agreed that PYRO, (including its operators and helpers) shall not inspect, police, monitor or otherwise supervise any area of the site other than the Display Area, except to ensure: I) That any Spectator or Parking Areas are outside the Display Area; and J) After completion of the Display, that the Display Area is cleared of any live firework debris originating from the program.

4) PURCHASER shall pay to PYRO the sum of TWENTY TWO THOUSAND _____ Dollars (\$ 22,000.00). A deposit of \$ 11,000.00 and fire department fees approximated at \$ 00.00 must be paid by April 4, 2008. Full final payment is due the first regular business day after the date set for the display. A finance charge at a periodic rate of 1.5% per month, 18% annual percentage rate, or the maximum rate permitted by law, whichever is less, will be charged on the unpaid balance after ten days from the date of the display. PURCHASER, by signing this agreement, authorizes PYRO to receive and verify financial information concerning PURCHASER from any person or entity.

5) PURCHASER agrees to assume the risk of weather, or other causes beyond PYRO's control, which may prevent the display from being safely discharged on the scheduled date, which may cause the cancellation of any event for which PURCHASER has purchased the display, or which may affect or damage such portion of the exhibits as must be placed and exposed a necessary time before the display. It shall be within PYRO's sole discretion to determine whether or not the display may be safely discharged on the scheduled date and at the scheduled time. If, for any reason beyond PYRO's control, including, without limitation, inclement weather, PYRO is unable to safely discharge the display on the scheduled date or should any event for which PURCHASER has purchased the display be cancelled, the parties shall attempt to negotiate a new display date, which shall be within 60 days of the original display date. PURCHASER further agrees to pay PYRO for any additional expenses made necessary by this postponement. If they are unable to agree on a new display date, PYRO shall be entitled to liquidated damages from PURCHASER as if PURCHASER had cancelled the display on the date set for the display, as provided in the following paragraph.

6) PURCHASER shall have the option to unilaterally cancel this display prior to the date of the display. If PURCHASER exercises this option, PURCHASER agrees to pay to PYRO, as liquidated damages, the following percentages of the agreed contract price. 1) 25% if cancellation three (3) or more days prior to the scheduled day of the display, 2) 50% if cancellation occurs within two (2) days of the actual date set for the display, 3) 75% if cancellation occurs on the date set for the display but prior to the time physical set-up of the display actually begins, 4) 100% thereafter. If cancellation occurs prior to the date set for the display, PURCHASER agrees to pay PYRO in addition to the above percentages, the value associated with any specific custom work performed by PYRO or its agents including but not limited to music/narration tape production and/or sponsors logos.

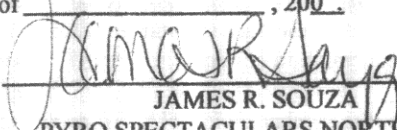
(continued on reverse)

PYRO SPECTACULARS NORTH, INC.

Display Agreement

- 7) In the event PURCHASER cancels the display, it will be impractical or extremely difficult to fix the actual amount of PYRO's damages. The foregoing represents a reasonable estimate of the damages PYRO will suffer if PURCHASER cancels the display.
- 8) PYRO reserves the ownership rights and trade names that are used in or are a product of the pyrotechnic display to be performed herein. Any reproduction by sound, video or other duplication or recording process without the express written permission of PYRO is prohibited.
- 9) PYRO agrees to furnish insurance coverage in connection with the Display only, for the following risks and amounts: bodily injury and property damage, including products liability FIVE MILLION DOLLARS (\$5,000,000) combined single limits. Such insurance shall include PURCHASER as an additional insured regarding claims made against PURCHASER for bodily injury or property damage arising from the operations of PYRO in performing the Display provided for in this Agreement. Such insurance afforded by PYRO shall not include claims made against PURCHASER for bodily injury or property damage arising from A) Failure of PURCHASER, including through or by its employees, agents and/or independent contractors, to perform its obligations under this agreement, including, without limitation, those contained in Paragraph 3 of this Agreement; B) Failure of the PURCHASER to provide discretionary Spectator and Parking Areas referred to in Paragraph 3 of this Agreement. PURCHASER shall indemnify and hold PYRO harmless from all claims and suits made against PYRO for bodily injury or property damage arising from A) and B) of this Paragraph.
- 10) If any legal action is brought to enforce or interpret the terms or provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs in addition to any other relief to which they may be entitled.
- 11) In the event PYRO breaches this agreement, or is otherwise negligent in performing the fireworks display provided for herein, PURCHASER shall, under no circumstances, be entitled to recover monetary damages from PYRO beyond the amount PURCHASER agreed to pay PYRO under this Agreement. PURCHASER shall not, under any circumstances, be entitled to recover any consequential damages from PYRO including, without limitation, for loss of income, business or profits. Nothing in this paragraph shall be construed as a modification or limitation on the insurance coverages afforded to Paragraph 9 above.
- 12) It is agreed, nothing in this Agreement or in PYRO's performance of the display provided for herein, shall be construed as forming a partnership or joint venture between PURCHASER and PYRO. The parties hereto shall be severally responsible for their own separate debts and obligations and neither party shall be held responsible for any agreements or obligations not expressly provided for herein.
- 13) This Agreement shall be governed and interpreted under the laws of the State of California. It is further agreed that the courts of the State of California shall have exclusive jurisdiction to adjudicate any disputes arising out of this contract or performance of the display provided for herein. It is further agreed that the Central Judicial District of San Bernardino County, California, shall be proper venue for any such action.
- 14) Any Notice to the parties permitted or required under this Agreement may be given by mailing such Notice in the United States Mail, postage prepaid, first class, addressed as follows: PYRO - PYRO SPECTACULARS NORTH, INC., P. O. Box 2329, Rialto, California 92377.
PURCHASER - City of Lodi Parks and Recreation Department: 125 North Stockton Street, Lodi, CA 95240- July 4, 2008 - Program "A"
- 15) All terms of this Agreement are in writing and may only be modified by written agreement of both parties hereto. Both parties acknowledge they have received a copy of said written Agreement and agree to be bound by said terms of written Agreement only.
- 16) If there is more than one PURCHASER, they shall be jointly and severally responsible to perform PURCHASER's obligations under this agreement. This Agreement shall become effective after it is executed and accepted by PURCHASER and after it is executed by PYRO at PYRO's offices in Rialto, California. This Agreement may be executed in several counter parts, including faxed copies, each one of which shall be deemed an original against the party executing same. This Agreement shall be binding upon the parties hereto and upon their heirs, successors, executors, administrators and assigns. PURCHASER recognizes that because of the nature of fireworks, an industry accepted level of 3% of the product used in any display may not function as designed and this level of nonperformance is acceptable as full performance.

In Witness Whereof the parties hereto, by and through their duly authorized agents, have set their hands and seals this _____ day of _____, 200__.

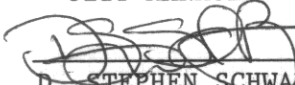

JAMES R. SOUZA
PYRO SPECTACULARS NORTH, INC.

, Title PRESIDENT

BLAIR KING

, Title CITY MANAGER

RANDI JOHL, CITY CLERK
ATTEST


D. STEPHEN SCHWABAUER, CITY ATTORNEY
APPROVE AS TO FORM

X _____ *Initial Here*

- ♦ Purchaser is responsible for payment of fire department permit and standby fees, if applicable.
- ♦ Purchaser to provide firing site, communication, and security.
- ♦ Price firm through February 8, 2008.
- ♦ Price includes full electronic firing.

Show Producer: Steve Souza

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY
COUNCIL APPROVING CONTRACT WITH PYRO
SPECTACULARS, INC. FOR 2008 FOURTH OF
JULY FIREWORKS DISPLAY, AUTHORIZING THE
CITY MANAGER TO EXECUTE CONTRACT
ON BEHALF OF THE CITY OF LODI

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve a contract with Pyro Spectaculars, Inc., for the 2008 Fourth of July fireworks display; and

BE IT RESOLVED that the term of contract shall be for one show performed on July 4, 2008, in the amount of \$22,000; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to execute the contract on behalf of the City of Lodi.

Dated: February 6, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 6, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk